
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY BOARD VIDEO-CONFERENCE MEETING

DATE: February 22, 2022
TIME: 10:00 a.m.
PLACE: 300 Wyandotte, 4th Floor
Kansas City, Missouri

To Join Online: [Join Zoom videoconference](#)
To Join by Phone: 1-312-626-6799
Meeting ID: 829 6329 2910
Passcode: 426939

AMENDED AGENDA

1. **Roll Call.**
2. **Administrative** – *Annual Election of Officers for 2022* (Rob Gardner)

The current officers are:

Chairman	Rob Gardner
Vice-Chairman	Melissa Hazley
Secretary	Daniel Moye
Assistant Secretary	Susan Tumey
Treasurer	Vacant

ACTION RECOMMENDED: ELECTION OF THE SLATE OF OFFICERS NOMINATED FOR THE 2022 CALENDAR YEAR.

3. **Administrative** - *Review and approval of Meeting Minutes for January 25, 2022 as presented (Ex. 3)*

ACTION RECOMMENDED: APPROVAL OF THE MINUTES FOR JANUARY 25, 2022, AS PRESENTED

4. **33rd & Montgall URA** – *Palestine Gardens – TEFRA Public Hearing Related to Issuance of LCRA Bonds* (Brian Engel) (Ex. 4A-4B)

In November, LCRA approved tax incentives and selected PG PGN Owner, LLC as the redeveloper for a project to undertake rehabilitation of 118 existing apartments in the Palestine Gardens and Palestine Gardens North apartment complexes in the Oak Park neighborhood. All 118 units are reserved for very low-income seniors aged 62 and up. MHDC has allocated both Federal and Missouri Low-Income Housing Tax Credits for this project.

In December, LCRA approved an inducement resolution expressing LCRA’s intent to issue bonds in an amount not to exceed \$11 million to facilitate the project. The

Hardwick Law Firm is serving as bond counsel to LCRA and recommended that LCRA hold today a public hearing required by the Tax Equity and Fiscal Responsibility Act (TEFRA). Under Section 147(f) of the IRS Code, the purpose of a TEFRA public hearing is to receive comments from interested parties in connection with the proposed issuance of tax-exempt qualified private activity bonds. On February 8, LCRA posted on the EDC website a Notice of Public Hearing as notification to the public of the TEFRA public hearing at today's LCRA board meeting. As part of the federal government's ongoing COVID-19 response, the U.S. Treasury Department has issued guidance stating that a TEFRA public hearing does not need to be held in person and may be held by teleconference. The Notice of Public Hearing as posted includes information for the public to conveniently access the public hearing by telephone or online Zoom virtual conference.

ACTION RECOMMENDED: PUBLIC HEARING ONLY. NO ACTION REQUIRED.

5. **Longfellow – Dutch Hill Neighborhood URA – 3130 Gillham Road – Aines Dairy Lofts**
– Consideration of Approval of Redevelopment Contract with Exact Landmark, LLC (Bob Long) (Ex. 5A-5C)

Area Description: The Longfellow – Dutch Neighborhood Urban Renewal Area is generally bound by E. 27th Street on the north, Troost Avenue on the east, Linwood Boulevard on the south, and Gilham Road/Plaza (excluding the area within the Gillham Row PIEA). The project site, 3130 Gillham Road, is located between E. 31st to the north and Linwood Boulevard to the south.

Project Description: The applicant is Exact Landmark, LLC, a single-purpose real estate entity formed for this project; it is affiliated with Exact Partners, LLC. Exact Partners and its affiliates have undertaken a number of multifamily and mixed-use projects along the Troost corridor and Midtown.

The applicants' project is a \$9.5 million historic rehab/adaptive reuse of a two-story Aines Dairy commercial/industrial building. Since the project is located within a "continuously distressed" census tract, it is eligible for up to 10 years abatement of up to 100% of the increased property taxes. Historic tax credit projects are exempt from the City's "prevailing wage" requirement.

The project will contain approximately 2,823 square feet of commercial space and 47 loft apartments. Of the apartments, 6 will be studio/1 bath; 28 units will be 1 bedroom/1 bath; 6 units will be 2 bedroom/1 bath; and 7 will be 2 bedroom/2 bath units. Although historic tax credit projects are exempt from the City's affordable housing inclusion requirement, all 47 apartments will be affordable to households at or below 80% of AMI, with the studio units affordable to households at 60% AMI. The 1 bd/1 bath and 2 bd/1 bath units are affordable to households at 70% AMI, and the 2 bd/2bath units are affordable to households at 80% AMI.

Financial Review

The project is located within a "continuously distressed" census tract, but is not adjacent to or east of Troost Avenue, so an independent financial analysis was required. Baker

Tilly performed the financial analysis. Without property tax abatement, the project is projected to achieve only a 5.17% unleveraged IRR; however, with 10 years abatement at 100%, the project is projected to achieve a 6.24% return. Returns for similar projects range from 5% - 10%, with an average return of 6.63%. Baker Tilly indicated that without assistance, the project would not generate enough return to attract the capital needed to undertake the project. Staff believes this satisfies the requirements of the Authority's Workable Program.

Staff believes that the proposed project is in conformance with Longfellow – Dutch Hill Neighborhood Urban Renewal Plan.

AdvanceKC: The Aines Dairy Lofts project generated score of 84 on the Scorecard, classifying it as a high impact project.

Affirmative Action Policy and MBE/WBE Participation: The proponent will be subject to LCRA's MBE/WBE participation goals and has discussed the reporting process with HRD.

Taxing Jurisdictions: The project was presented for review at the January 21, 2022 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE 3130 GILLHAM ROAD AINES DAIRY LOFTS MIXED-USE PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH EXACT LANDMARK, LLC FOR THE 3130 GILLHAM ROAD AINES DAIRY LOFTS MIXED-USE PROJECT IN THE LONGFELLOW-DUTCH HILL NEIGHBORHOOD URBAN RENEWAL AREA.

6. **Garfield URA** – affordable housing renovations – *Consideration of Approval of Redevelopment Contract with NewView Place II, LLC (Bob Long) (Ex. 6A-6F)*

Area Description: The Garfield Urban Renewal Area generally consist of an area generally bound by Independence Avenue on the south, Chestnut Avenue on the east, Cliff Park on the north, and The Paseo on the west, in the Pendleton Heights neighborhood in the Historic Northeast area of Kansas City. The specific sites are 414 – 416 Garfield Avenue, 319 Wabash Avenue, 109 – 111 Olive Street, 216 – 222 Wabash Avenue, 106 – 108 Olive Street, 508 Wabash Avenue, and 2103 – 2105 Lexington Avenue. The project site is within the northwestern portion of City Council's 3rd District.

Project Description: The applicant is NewView Place II, LLC, a single-purpose real estate entity affiliated with FH Northeastview, LLC (also known as Fair Housing Partners).

The applicants' project is a \$15.3 million development of 8 buildings on 7 parcels, with a total of 69 apartments, in the Pendleton Heights neighborhood. All 69 units will be reserved for very low-income and moderate - income households. MHDC has allocated Low-Income Housing Tax Credits to this project. This project will contain 7 1-bedroom units, 41 2-bedroom units, 17 3-bedroom units, and 4 4-bedroom units.

Financial Review

Per LCRA policy regarding affordable housing projects, the project was subject to a financial review by EDC staff. Staff's review revealed that the developer already has a low-income housing tax credit allocation and debt financing in-place. Staff believes this satisfies the requirements of the Authority's Workable Program.

Staff believes that the proposed project is in conformance with Garfield Urban Renewal Plan.

AdvanceKC: The project received a score of 80 on the AdvanceKC Scorecard.

Affirmative Action Policy and MBE/WBE Participation: The proponent will be subject to MHDC's MBE/WBE participation goals and has discussed the reporting process with HRD.

Taxing Jurisdictions: The project was presented for review at the February 11, 2022 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE NEWVIEW PLACE II AFFORDABLE HOUSING PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH NEWVIEW PLACE II, LLC FOR THE NEWVIEW PLACE II AFFORDABLE HOUSING PROJECT IN THE GARFIELD URBAN RENEWAL AREA.

7. **Columbus Park URA** – Columbus Park Apartments – *Consideration of Approval of Redevelopment Contract with DAK Pacific, LLC (Bob Long) (Ex. 7A-7B)*

Area Description: The Columbus Park Urban Renewal Area generally consists of an area generally bound by the Missouri River on the north, I-29/I-35 on the east, I-35 on the south, and Hwy. 9/Heart of America Bridge right-of-way on the west, located northeast of the Downtown Loop and east of the River Market neighborhood. The project site is located in the southwest quadrant of Troost Avenue & Pacific Street. The project site is within the City Council's 4th District.

Project Description: The applicant is DAK Pacific, LLC, a single-purpose real estate entity affiliated with local developers Diane Botwin, Andrew Ganahl, and Kevin Klinkenberg.

The applicants' project is a \$6.6 million development with three components in the Columbus Park neighborhood. The first component is the construction of ten for-sale townhomes (five in each of two buildings) facing onto Pacific Street. The second component is the construction of five duplexes, each with two apartments; these duplexes will be built behind the townhomes. The third component is a small (1,200 sq. ft.) commercial building on the southwest corner of Pacific and Troost.

Since the project is located within a "continuously distressed" census tract, it is eligible for up to 10 years abatement of up to 100% of the increased property taxes and, further, is not subject to the prevailing wage requirement. Since the multifamily component of this project has less than twelve rental units, it is not subject to the City's affordable housing inclusion requirement. The for-sale townhouses are not subject to the LCRA's financial analysis requirement.

Financial Review

Per LCRA policy, the project was not subject to a financial review by EDC staff since it is located directly adjacent to or east of Troost Avenue and in a "continuously distressed" census tract. Staff's review revealed that the developer already controls all of the property and has debt financing and equity available to undertake the project. Staff believes this satisfies the requirements of the Authority's Workable Program.

Staff believes that the proposed project is in conformance with Columbus Park Urban Renewal Plan.

AdvanceKC: The Columbus Park Apartments project achieved a score of 62 on the AdvanceKC Scorecard, putting it in the Standard Impact category.

Affirmative Action Policy and MBE/WBE Participation: The proponent will be subject to the LCRA's MBE/WBE participation goals and has discussed the reporting process with staff.

Taxing Jurisdictions: The project was presented for review at the February 11, 2022 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS FOR THE COLUMBUS PARK APARTMENTS PROJECT.

APPROVAL OF A REDEVELOPMENT CONTRACT WITH DAK PACIFIC, LLC FOR THE COLUMBUS PARK

APARTMENTS PROJECT IN THE COLUMBUS PARK
URBAN RENEWAL AREA.

8. **Wendell - Phillips URA** – *Consideration of Approval of a Sale/Leaseback and Redevelopment Contract with UNI Crescendo, LLC (Bob Long) (Ex. 8A-8F)*

Area Description: The Wendell - Phillips Urban Renewal Area generally consist of an area generally bound by E. 24th Street on the north, Euclid Avenue on the east, E. 24th Street on the south, and Vine Street/Highland Avenue on the west, located southeast of the Downtown Loop and south of the 18th & Vine district. The project site is located directly east of the former Wendell – Phillips Elementary School. The project site is within the City Council’s 3rd District.

Project Description: The applicant is UNI Crescendo, LLC, a single-purpose real estate entity affiliated with the Urban Neighborhood Initiative, Inc. and Brinshore Development.

The applicants’ project is a \$10.6 million development of 10 buildings, including a community building, with a total of 39 units in the highly - distressed Wendell - Phillips neighborhood. All 39 of the units are reserved for very low-income and moderate - income households. Six units will be affordable at 30% AMI, four units will be affordable at 40% AMI, seven units will be affordable at 50% AMI, thirteen units will be affordable at 60% AMI, five units will be affordable at 70% AMI, and four units will be affordable at 80% AMI. There is a mixture of 1-bdrm., 2-bdrm., and 3-bdrm. units in the project. MHDC has allocated Low-Income Housing Tax Credits to this project.

This project is a joint venture of the Urban Neighborhood Initiative, Inc., which grew out of a Greater Kansas City Chamber of Commerce effort to reverse the decline of distressed neighborhoods, and Brinshore Development, which has an excellent local track record due to the Paseo Gateway/Choice Neighborhoods projects to replace the Chouteau Courts public housing development with a number of mixed-income developments.

Since the project is an affordable housing project and is located within a “continuously distressed” census tract, it is not subject to the City’s affordable housing inclusion and prevailing wage requirements. It is eligible for up to 10 years abatement of up to 100% of the increased property taxes. Just prior to the January LCRA meeting, the developer also requested a Sales Tax Exemption on Construction Materials (STECM), which requires a sale/leaseback arrangement during the construction period.

UPDATE: At its January meeting, the Authority authorized staff to prepare and issue a Request for Proposals (RFP) for an affordable multifamily project at this location in the Wendell - Phillips URA. The RFP was issued and one proposal was received. The proposal from UNI Crescendo, LLC meets the requirements set forth in the RFP.

Financial Review

Per LCRA policy regarding affordable housing projects, the project was subject to a financial review by EDC staff. Staff’s review revealed that the developer already

controls all of the property and has a low-income housing tax credit allocation and debt financing in-place. Staff believes this satisfies the requirements of the Authority's Workable Program.

Staff believes that the proposed project is in conformance with Wendell - Phillips Urban Renewal Plan.

AdvanceKC: The UNI Crescendo affordable housing project achieved a score of 90 on the AdvanceKC Scorecard.

Affirmative Action Policy and MBE/WBE Participation: The proponent will be subject to MHDC's MBE/WBE participation goals and has discussed the reporting process with HRD.

Taxing Jurisdictions: The project was presented for review at the January 21, 2022 Agency Directors meeting.

Other government/statutory agency action: N/A

ACTION RECOMMENDED: SELECTION OF UNI CRESCENDO, LLC FOR THE AFFORDABLE MULTIFAMILY PROJECT IN THE 2400 – AND 2500 – BLOCKS OF HIGHLAND AVENUE IN THE WENDELL – PHILLIPS URBAN RENEWAL AREA.

APPROVAL OF PROPERTY TAX ABATEMENT AT 100% FOR 10 YEARS AND A SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS FOR THE UNI CRESCENDO AFFORDABLE HOUSING PROJECT.

APPROVAL OF A SALE/LEASEBACK AND REDEVELOPMENT CONTRACT WITH UNI CRESCENDO, LLC FOR THE UNI CRESCENDO AFFORDABLE HOUSING PROJECT IN THE WENDELL - PHILLIPS URBAN RENEWAL AREA.

9. **Mount Cleveland Urban Renewal Area** - *Consideration of Termination and Release of Redevelopment Contract* (Brian Engel) (Ex. 9A-9B)

LCRA and Community Builders of Kansas City, a Missouri non-profit corporation (f/k/a Midtown Community Development Corporation; f/k/a Swope Community Builders) ("Redeveloper") entered into the Redevelopment Contract dated July 30, 2002, as amended by the Amendment to Redevelopment Contract dated November 15, 2005, as amended by the Second Amendment to Redevelopment Contract dated May 15, 2010, and, as amended by the Third Amendment to Redevelopment Contract dated June 2, 2010 (collectively, the "Redevelopment Contract"). The Redevelopment Contract encumbers, at least in part, the property the Redeveloper is rehabilitating as the Cleveland Duplexes project and requested that LCRA terminate and release the Redevelopment Contract to remove it as a title encumbrance.

ACTION RECOMMENDED: APPROVE TERMINATION AND RELEASE OF A REDEVELOPMENT CONTRACT IN MOUNT CLEVELAND URBAN RENEWAL AREA.

10. **Arterra 21/2100 Wyandotte Urban Renewal Area** - *Consideration of Assignment, Assumption and Amendment of Amended and Restated Sale/Leaseback and Redevelopment Contract* (Brian Engel) (Ex. 10A-10C)

LCRA and Arterra, LLC (“Original Redeveloper”) are parties to the Amended and Restated Sale/Leaseback and Redevelopment Contract dated June 22, 2017 (the “Amended and Restated Redevelopment Contract”), to facilitate the Original Redeveloper’s construction of an apartment building located at 2100 Wyandotte containing approximately 116 apartments, associated parking, and first floor commercial space (“Project”). The Project is complete and LCRA issued its Certificate of Qualification of Tax Abatement in 2019.

The Original Redeveloper and SEMREF Crossroads, LLC, a Delaware limited liability company (“New Redeveloper”), entered into a purchase agreement pursuant to which the New Redeveloper intends to acquire the Project. The Original Redeveloper and the New Redeveloper have requested that the LCRA approve an assignment of the Amended and Restated Redevelopment Contract to the New Redeveloper, including the remaining tax abatement term. The New Redeveloper will assume the obligations under the Redevelopment Contract to maintain the Project and will enter into a new Funding Agreement pursuant to which the New Redeveloper will pay all of the LCRA’s costs and expenses incurred in connection with the Project from the date of the assignment.

ACTION RECOMMENDED: APPROVE ASSIGNMENT, ASSUMPTION AND AMENDMENT OF AMENDED AND RESTATED SALE/LEASEBACK AND REDEVELOPMENT CONTRACT.

11. **Administrative.**

a. **Executive Director’s Report** - *Active Projects Tracking System Report* (Dan Moye) (Ex. 11A)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

b. **Administrative** – *Affirmative Action Report* (Sandra Rayford)

ACTION RECOMMENDED: NONE; INFORMATIONAL ONLY

c. **Tax Abatements.** There were eight (8) tax abatements approved in January, 2022.

URA	Address	Applicant	Category	Type
Garfield	2600 Independence	BA Property, LLC	Commercial	New
Garfield	2608 Independence	BA Property, LLC	Commercial	New
Santa Fe Area Council	2628 Victor	Kiva Miller & Jewell Donahue	S/f Residential	Rehab
Santa Fe Area Council	2650 Lockridge	Kenneth & Staci Tyson	S/f Residential	Rehab
Santa Fe Area Council	2839 Benton	Teresa Smith	S/f Residential	Rehab

URA	Address	Applicant	Category	Type
Santa Fe Area Council	3133 Benton	Carey & Stephanie Casey	S/f Residential	Rehab
Santa Fe Area Council	3220 E. 29 th	Ed & Shareda Rollins	S/f Residential	Rehab
Santa Fe Area Council	3217 Lockridge	Horace & Karmello Coleman	S/f Residential	Rehab

12. **1914 Main Street Urban Renewal Area** - *Consideration of Assignment, Assumption and Amendment of Redevelopment Contract* (Brian Engel) (Ex. 12A-12C)

LCRA and Urban Crossroads Apartments, LLC (“Original Redeveloper”) are parties to the Redevelopment Contract dated October 21, 2014 (the “Redevelopment Contract”), to facilitate the Original Redeveloper’s construction of an apartment building located at 1914 Main Street containing approximately 44 apartments (“Project”). The Project is complete and LCRA issued its Certificate of Qualification of Tax Abatement in 2015.

The Original Redeveloper and 1914 Main, LLC, a Missouri limited liability company (“New Redeveloper”), entered into a purchase agreement pursuant to which the New Redeveloper intends to acquire the Project. The Original Redeveloper and the New Redeveloper have requested that the LCRA approve an assignment of the Redevelopment Contract to the New Redeveloper, including the remaining tax abatement term. The New Redeveloper will assume the obligations under the Redevelopment Contract to maintain the Project and will enter into a new Funding Agreement pursuant to which the New Redeveloper will pay all of the LCRA’s costs and expenses incurred in connection with the Project from the date of the assignment.

ACTION RECOMMENDED: APPROVE ASSIGNMENT, ASSUMPTION AND AMENDMENT OF REDEVELOPMENT CONTRACT.

EXECUTIVE SESSION

13. Consideration of legal, real estate and personnel issues, and other matters related thereto, pursuant to Sections 610.021(1)(2)(3) RSMo.

RESUME BUSINESS SESSION

14. Adjourn.